

Hearing Date and Time: April 13, 2011 at 10:00 a.m. (Prevailing Eastern Time)

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re:	:	Chapter 11 Case No.
	:	
LEHMAN BROTHERS HOLDINGS INC., <u>et al.</u> ,	:	08-13555 (JMP)
	:	
Debtors.	:	(Jointly Administered)
	:	
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**STATEMENT OF OFFICIAL COMMITTEE OF UNSECURED CREDITORS
IN SUPPORT OF MOTION OF LEHMAN BROTHERS HOLDINGS INC. PURSUANT
TO SECTION 363 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 6004
FOR AUTHORIZATION TO MAKE ADDITIONAL INVESTMENTS WITH RESPECT
TO 25 AND 45 BROAD STREET**

The Official Committee of Unsecured Creditors (the "Committee") appointed in the chapter 11 cases of Lehman Brothers Holdings Inc. ("LBHI") and each of its affiliated debtors in possession (collectively, the "Debtors") hereby files this statement in support of the Motion of Lehman Brothers Holdings Inc. Pursuant to Section 363 of the Bankruptcy Code and Bankruptcy Rule 6004 for Authorization to Make Additional Investments With Respect to 25 and 45 Broad Street [Docket No. 15257] (the "Motion"). In support of the Motion, the Committee respectfully states as follows:

STATEMENT

1. The Committee agrees with the Debtors that it is in the best interests of the Debtors' estates and creditors that LBHI make the Additional Investments¹ with respect to 25 Broad Street and 45 Broad Street (collectively, the "Properties") totaling \$25.1 million in the aggregate. The Additional Investments will allow for: (i) the completion of construction at 25 Broad Street; (ii) the remediation of the deterioration of the south wing of 25 Broad Street (the "South Wing"); and (iii) the transfer of the land underneath the South Wing to the adjacent parcel at 45 Broad Street, which would permit the erection of a building at 45 Broad Street with more saleable square footage, thereby increasing the value of the parcel.

2. With the same goals in mind, the Committee previously consented to LBHI's making of the Prior Investments in the Properties in the aggregate amount of approximately \$39.9 million in order to finance, *inter alia*, the necessary repairs, the partial façade restoration and replacement of the cooling tower and heat pumps at 25 Broad Street. Before consenting to the Debtors' request to make the Additional Investments, the Committee and its advisors evaluated several potential strategies with respect to the Properties. Having considered the benefits and drawbacks of each strategy—as well as the substantial deterioration in the value of LBHI's collateral and accrual of additional expenses that would occur in the absence of any further investment—the Committee has determined that making the Additional Investments is the best way to enhance the value of the Properties and thus constitutes a sound exercise of the Debtors' business judgment.

WHEREFORE, for the foregoing reasons, the Committee respectfully requests that the Court grant (i) the relief requested in the Motion; and (ii) such other relief as is proper.

¹ Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Motion.

Dated: New York, New York
April 8, 2011

MILBANK, TWEED, HADLEY & M^cCLOY LLP

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